

PUBLIC DISCLOSURE

July 15, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

AmTrade International Bank of Georgia
06130217

Atlanta, Georgia

Federal Reserve Bank of Atlanta
104 Marietta Street, N.W.
Atlanta, Georgia 30303

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| <p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to the institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.</p> |
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of AmTrade International Bank of Georgia prepared by the Federal Reserve Bank of Atlanta, the institution's supervisory agency, as of July 15, 1996. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The bank has originated a total of 161 community development loans¹ within the past 12 months. These loans were in the form of letters of credit and lines of credit. The majority of the bank's loans were extended within the southeastern region of the United States, a larger area that includes the bank's assessment area. The examination analysis shows that 88 percent of the bank's letters of credit and 76 percent of the bank's lines of credit were extended within this region. Bank staff involvement in community development services allows the institution to respond to credit and community economic development needs within its community. Community development services include participation in seminars, panel discussions, classroom instructional training, and the extension of credit to community banks for the benefit of their small business customers. AmTrade International Bank is unique in that it is the only bank in Georgia that targets small- to medium-sized companies involved in international trade.

DESCRIPTION OF INSTITUTION

AmTrade International Bank of Georgia is a subsidiary of Broadstreet, Inc., Atlanta, Georgia. The bank's one office is located in downtown Atlanta. Management has defined the bank's assessment area as Cobb, Gwinnett, DeKalb, and Fulton counties in Georgia; however, the bank serves the entire southeastern region of the United States, with particular emphasis in the states of Georgia (primarily the cities of Atlanta and Dalton), Alabama (primarily Birmingham and Huntsville), Florida (Jacksonville), and North Carolina (Charlotte). The bank's secondary markets include South Carolina, Tennessee, Mississippi, and Louisiana. Because the bank does not offer retail services, management currently has no plans to open any branch offices.

According to the March 31, 1996 Consolidated Reports of Condition and Income, AmTrade International Bank had total assets of \$132.4 million. The September 30, 1995 safety and soundness examination conducted by the Federal Reserve Bank of Atlanta identified no legal or financial impediments that would hinder the bank in meeting the credit needs of the assessment area.

¹As defined under Regulation BB, community development loans include loans for affordable housing for the low- and moderate-income, community services for the same population, loans that promote economic development by financing businesses having no more than 500 employees or businesses having gross annual revenues of \$1 million or less, and loans to revitalize or stabilize low- and moderate-income areas.

INSTITUTION (CONTINUED)

DESCRIPTION OF INSTITUTION (CONTINUED)

The bank's primary purpose is to provide international trade finance services to small- to medium-sized companies involved in importing and exporting products and to provide services to individuals with international banking needs. The institution does not offer traditional retail or commercial loan or deposit services. The bank offers the following types of credit:

- C Export letters of credit
- C Import letters of credit
- C Standby letters of credit
- C Lines of credit to facilitate trade and provide working capital
- C Banker's acceptance financing

A review of the loan portfolio revealed that the bank offers and extends all types of credit listed.

According to the March 31, 1996 Consolidated Reports of Condition and Income, the composition of the bank's consolidated loan portfolio was as follows:

| LOAN TYPE | DOLLAR AMOUNT (000s) | % OF PORTFOLIO |
|-------------------------------------|----------------------|----------------|
| Loans to Banks in Foreign Countries | \$79,500 | 92% |
| Commercial and Industrial Loans | \$6,087 | 7% |
| Other Loans | \$750 | 1% |
| TOTAL | \$86,337 | 100% |

INSTITUTION (CONTINUED)

DESCRIPTION OF INSTITUTION (CONTINUED)

As illustrated by the table above, loans to banks in foreign countries are the largest percentage of the bank's loan portfolio followed by commercial and industrial loans. Loans classified as "other" constitute a small percentage of the bank's loan portfolio and consist of loans to foreign governments and loans for purchasing or carrying securities.

DESCRIPTION OF ASSESSMENT AREA: COBB, GWINNETT, DEKALB, AND FULTON COUNTIES

The bank's assessment area contains 343 census tracts. 76.3 percent of the population in the bank's assessment area resides in middle- and upper-income census tracts. Middle-income tracts are defined as tracts having a median family income between 80 and 120 percent of the median income of the metropolitan statistical area (MSA). As of the 1990 Census, the median family income for the MSA was \$41,047. Therefore, the median family incomes for these census tracts range from \$32,837 to \$49,256. Upper-income tracts are defined as tracts having a median family income of greater than 120 percent of the median income of the MSA. Consequently, the median family incomes for these tracts are greater than \$49,256. The median family income of the bank's four-county assessment area was \$43,463 in 1990.

The total population of the bank's assessment area was 1,995,443 according to the 1990 Census. The racial composition of the population was 64.7 percent white and 30.8 percent black. The area also had a 2 percent Asian, a 2.3 percent Hispanic, and a .2 percent American Indian population.

According to 1990 Census data, there were 856,503 housing units in the bank's assessment area. 52 percent were owner-occupied, 37.2 percent were renter-occupied, and 10.8 percent were vacant units.

Employment data based on 1992 county business patterns from the U.S. Census show 65,964 business establishments in the bank's assessment area. The service industry and the retail industry dominate the employment arena, representing 39 percent and 21 percent of the total number of establishments. Of the 65,964 establishments, 61,706 (94 percent) are establishments with fewer than 50 employees.

INSTITUTION (CONTINUED)

DESCRIPTION OF ASSESSMENT AREA: COBB, GWINNETT, DEKALB, AND FULTON COUNTIES

Interviews were conducted with two community contacts in the international banking field. One contact was with the international department of the Cobb Chamber of Commerce, and the other contact was with the U.S. Export Assistance Center. Both contacts stated that AmTrade International Bank is actively involved in various community development services. They also agreed that the bank could effectively serve the southeastern region of the United States because of the small international trade market. Bank management seems to communicate frequently with these contacts in determining the international banking needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

AmTrade International Bank's primary business focus is to meet the international banking needs of individuals and small- to medium-sized companies. Within the past year, the bank has issued a total of 466 letters of credit. 140 (30 percent) of these credits were to small businesses. Also, the bank extended a total of 56 lines of credit; 21 (38 percent) of these were to small businesses. The total dollar amount of letters of credit issued to small businesses was \$17,796,342, and the total dollar amount of lines of credit extended to small businesses was \$11,570,399.

Although the bank extends a great deal of credit within its assessment area, a large number of credits are also extended within the southeastern United States. Results of the analysis of the community development loans are as follows:

INSTITUTION (CONTINUED)

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

| | # OF LETTERS OF CREDIT | % OF LETTERS OF CREDIT | # OF LINES OF CREDIT | % OF LINES OF CREDIT |
|---|---------------------------|---------------------------|-------------------------|-------------------------|
| Within Assessment Area | 62 | 44% | 7 | 33% |
| Within Region (Excluding Assessment Area) | 62 | 44% | 9 | 43% |
| SUBTOTAL | 124 | 88% | 16 | 76% |
| Outside Region | 16 | 12% | 5 | 24% |
| TOTAL | 140 | 100% | 21 | 100% |

Many of the bank's officers and personnel are actively involved in the community and provide community services to various entities. Community development services are provided through employee training, seminars, communication with business owners, and presentations to international trade organizations. The institution also extends credit directly to banks for the benefit of their small business customers in need of international trade financing. This service is considered unique because most banks are not capable of providing this type of financing.

AmTrade International Bank participates in educational programs targeting small- and medium-sized businesses involved in international trade. AmTrade is unique because it is the only bank in Georgia that targets these types of companies. Specific community development services included panel discussions on export trade and foreign sales for the Atlanta and Cobb Chambers of Commerce and presentations on international trade finance at the Georgia Institute of Technology Export-Import Graduate Management seminar, the University of Georgia's Small Business Development Center, a seminar on Trade and Investment in Latin America and the Caribbean sponsored by the Federal Reserve Bank of Atlanta, the Georgia International Expo '95, and the Business Connections '95 Trade Show in Warrington, England. Classroom instructional training included two courses conducted on letters of credit, collections, and other methods of

INSTITUTION (CONTINUED)

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (CONTINUED)

export financing. These courses were held at the North Alabama International Trade Association in Huntsville and the Alabama World Trade Association in Birmingham.

Bank officers have also held informal one-on-one meetings with business owners who trade internationally. In May 1995, a bank officer participated in a program conducted live on the cable television network CNBC during World Trade Week. The program included live call-in questions from viewers around the nation regarding export financing.

AmTrade International Bank is also providing community development services to the international trade community by working with community banks in an effort to bring international services to the community banks' small- to medium-sized business customers. Since the last examination, the bank has provided letters of credit or banker's acceptances directly to other lenders for the benefit of their small business customers. The total dollar amount of credit facilities granted to these lenders was \$428,672.

The institution has developed fair lending policies, procedures, and training programs to prevent discrimination and other illegal credit practices. A review of the bank's loan policies and procedures revealed no evidence of any practices intended to discourage individuals from applying for the types of credit offered. Bank staff is aware of the requirements of Regulation B - Equal Credit Opportunity Act. No violations of the substantive or technical provisions of the antidiscrimination laws and regulations were identified.

APPENDIX A

SCOPE OF EXAMINATION

The scope of the examination included an analysis of the bank's community development loans and services. Specific credit products reviewed included the bank's letters of credit and lines of credit to small businesses. The bank serves the entire southeastern region of the United States; however, its assessment area is defined as Cobb, Gwinnett, DeKalb, and Fulton counties in Georgia. The review covered all community development credit facilities granted within the past 12 months. The bank's various community development services provided since the last examination were also reviewed.

TO THE INSTITUTION EXAMINED:

THIS COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION WAS PREPARED BY THE FEDERAL RESERVE BANK OF ATLANTA. THE FOLLOWING ACTIONS MUST BE TAKEN TO FULFILL THE CRA'S REQUIREMENTS.

- C AT A MINIMUM, PLACE THE EVALUATION IN YOUR CRA PUBLIC FILE LOCATED AT YOUR HEAD OFFICE NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THE EVALUATION.
- C PROVIDE A COPY OF THE EVALUATION TO THE PUBLIC UPON REQUEST (YOU ARE PERMITTED TO CHARGE A FEE NOT TO EXCEED THE COST OF REPRODUCTION AND MAILING IF APPLICABLE) NO LATER THAN 30 BUSINESS DAYS AFTER RECEIVING THIS LETTER.

FEDERAL RESERVE BANK OF ATLANTA

ASSISTANT VICE PRESIDENT

(Date)

CYNTHIA C. GOODWIN

(Title)

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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TO THE FEDERAL RESERVE BANK OF ATLANTA

A COPY OF THE COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION PREPARED AS OF THE CLOSE OF BUSINESS JULY 15, 1996, BY AN EXAMINER FOR THE FEDERAL RESERVE BANK OF ATLANTA HAS BEEN RECEIVED AND WILL BE MADE AVAILABLE TO THE PUBLIC IN THE MANNER STATED IN THE LETTER WHICH ACCOMPANIED THE EVALUATION.

(Signature of Authorized Officer)

(Title)

AMTRADE INTERNATIONAL BANK OF GEORGIA

(Name of Bank)

ATLANTA, GEORGIA

(Location of Bank)

FEDERAL RESERVE BANK OF ATLANTA

Cynthia C. Goodwin
ASSISTANT VICE PRESIDENT

Board of Directors
AmTrade International Bank of Georgia
Candler Building, Suite 1500
127 Peachtree Street, N.E.
Atlanta, Georgia 30303-1811

Dear Board Members:

Enclosed is the bank's Community Reinvestment Act Performance Evaluation prepared by Federal Reserve Examiner Gayle Askew using the guidelines established by the Federal Financial Institutions Examination Council. This evaluation was prepared in accordance with the Community Reinvestment Act (CRA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and must be made available to the public. The following actions must be taken to fulfill the CRA's requirements.

- C At a minimum, place the evaluation in your CRA public file located at your head office no later than 30 business days after receiving this letter.
- C Provide a copy of the evaluation to the public upon request (you are permitted to charge a fee not to exceed the cost of reproduction and mailing if applicable) no later than 30 business days after receiving this letter.

Please acknowledge receipt of this evaluation by signing and returning the attached blue form. The format and content of the evaluation should not be altered or abridged in any manner. You may wish to comment on this information detailing actions the bank has taken since the examination to meet its obligations under the CRA. Any written comments concerning the evaluation placed in the public file should also be forwarded to this office. If you believe any of the information included in the public evaluation is proprietary, please contact this Reserve Bank so that the appropriate action can be taken.

Our Community Affairs staff is available to assist you in determining and responding to community credit needs. Please feel free to contact Mr. Courtney Dufries at (404) 589-7226. If you have any questions concerning this report or any other compliance matter, contact Ms. Gale Williams at (404) 589-7223.

Very truly yours,

Cynthia C. Goodwin

Enclosures

PUBLIC DISCLOSURE

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Name of Bank: AMTRADE INTERNATIONAL BANK OF GEORGIA

City and State: ATLANTA, GEORGIA

Date of Examination: JULY 15, 1996

FEDERAL RESERVE BANK OF ATLANTA